



Chairperson
Randy K. Jones, Esq.

President and CEO
Rudolph A. Johnson, III

December 11, 2008

Stacey Brayboy, HUD Agency Review Team
President Elect Barack Obama Transition Team
Washington, DC

Dear Stacey,

The information below is provided as a follow-up to our meeting of December 9, 2008. The following are our thoughts and suggestions on the Department of Housing and Urban Development, (HUD) policy and funding as well as comments related to Treasury.

NHA PROGRAM DESCRIPTION - Since 1973, the Neighborhood House Association (NHA) Housing Counseling Program has been instrumental in providing a wide range of services including but not limited to:

- ✚ helping homeowners prevent foreclosures by negotiating with lenders
- ✚ promoting homeownership through first-time buyer education
- ✚ assisting clients to navigate bureaucracy and understand fair housing practices

NHA is committed to ensuring that homebuyers and renters have honest and complete information. Clients range from the senior exploring a reverse mortgage as an option to the family on the verge of foreclosure. 85% of our clientele are people of color and services are delivered in both English and Spanish. We also have a reputation for serving low-income clients who are often easy prey due to their limited access to credible information.

CHALLENGE - NHA's program is primarily funded by and is the only HUD-approved Housing Counseling agency in San Diego that offers comprehensive services. Over the past 3 years, the program has assisted roughly 4,500 clients. Unfortunately, HUD's funding has decreased by over 69% in the past 4 years (from \$130k in 05/06 to \$40k in 08/09) despite the rising demand from the housing crisis and current recession. As expected, the number of clients we are able to serve has reduced by 75% (from over 1,600 in 05/06 to 400 in 08/09).

CHANGES REQUESTED

1. To help alleviate the national mortgage crisis, all monetary assistance should not be geared solely toward financial institutions. Funding for housing counseling programs should be increased since we provide front-line professionals to help troubled homeowners work with lenders and real estate agents to stave off foreclosure.
2. HUD should mandate financial institutions share responsibility for funding housing counseling programs. Banks, credit unions and other lenders have a vested interest in avoiding loan defaults. This would allow housing counseling programs to return to their primary mission of promoting homeownership.
3. HUD grant awards should be multi-year as opposed to annual grant awards.
4. Increase annual funding to 05/06 funding levels. This would increase NHA's current grant award amount by additional \$100,000 per year.

I look forward to your thoughts and comments. We will arrange our schedules to meet your availability for our telephone conference call.

Respectfully,

Rudolph A. Johnson III
President, Chief Executive Officer